

(Mr. YOUNG); the ranking member, the gentleman from Minnesota (Mr. OBERSTAR); and the Subcommittee on Aviation ranking member, the gentleman from Oregon (Mr. DEFAZIO), in urging immediate passage of this bipartisan bill.

Mr. Speaker, I reserve the balance of my time.

Ms. MILLENDER-McDONALD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4226, the Cape Town Treaty Implementation Act of 2004.

The Cape Town Convention and related protocol on aircraft equipment known collectively as the Cape Town Treaty will extend modern commercial finance laws already used in the United States to international transactions involving aircraft and aircraft engines.

Lenders have been reluctant or are charging more to extend financing for the sale of aircraft or aircraft engines to foreign entities, particularly in developing countries, because certain countries do not recognize the right of a lender with a priority interest in an asset to repossess or otherwise dispose of it if the owner defaults on a loan. The Cape Town Treaty, when ratified, is expected to lower their financial risks and therefore the costs of such financing and bring certainty to the marketplace, thereby increasing sales in aircraft frames and engines abroad.

Importantly, the Cape Town Treaty creates an international registry in which persons with secured credit or leasing interest in highly mobile assets such as aircraft and engines will be able to put other potential lenders on notice of their interest in a particular asset.

□ 1130

Priority in an asset will be based on a first in time filing with the international registry. The filing of a notice of a security interest in the international registry will also facilitate a secured creditor's ability to repossess, sell, or lease a piece of equipment in the event of a default under the remedies provided by the treaty.

H.R. 4226 makes technical changes to section 44107 of title 49 governing the recordation of security interests with the Federal Aviation Administration, including designating the FAA's civil aircraft registry to be the U.S. entry point to the International Registry. This will enable the FAA to authorize filings with the International Registry related to U.S. registered aircrafts, aircraft engines, and aircraft that have received a U.S. identification number or to prospective interests in such aircraft or engines.

Filings to the International Registry would be valid only if the creditor first files with the FAA full documentation of the security interest as currently required by U.S. law and the FAA authorizes the transmittal of the filing of the notice of the secured interest to the International Registry. Also direct-

ing the FAA to immediately proscribe regulations for the registration and deregistration of aircraft and to complete the rulemaking process by December 31, 2004.

H.R. 4226 also provides that, if necessary, the provisions of the Cape Town Treaty shall apply to the registration and deregistration of aircraft until the FAA regulations are effective or by December 31, 2004, whichever occurs earlier.

In addition, H.R. 4226 states that the amendments to Title 49 made by this bill and any related regulations are effective upon the Cape Town Treaty's coming into force and do not apply to any prior registration or recordation.

To put this in a local perspective, Mr. Speaker, in my district we manufacture aircrafts and this bill opens up markets that have historically been problematic. This treaty brings uniformity to bankruptcy and commercial finance laws by extending current U.S. finance laws to international transactions involving aircrafts and aircraft engines. It lowers the risk to financial lenders and manufacturers alike to engage in new markets. To put it simply, passage of the Cape Town Treaty will help American companies compete in foreign markets. It puts manufacturers in the situation to compete for foreign contracts.

For example, the Boeing 717 built in my district of Long Beach, California, would benefit from the leasing requirements negotiated in this treaty. This translates into jobs and economic activity locally. The Boeing 717 plant in Long Beach employs 3,000 men and women and the plant also contracts with 320 suppliers. Currently, the 717 plant produces one plane a month. I have been told, however, that this plant is capable of producing 60 planes a year. If the 717 plant were to double their production to 24 planes a year, that would translate to upwards of 400 jobs created in Long Beach.

I thank the gentleman from Alaska (Mr. YOUNG) and the ranking member, the gentleman from Minnesota, Mr. OBERSTAR for their strong leadership on this issue, the chairman of the subcommittee, the gentleman from Florida (Mr. MICA), and the ranking member the gentleman from Oregon (Mr. DEFAZIO) for their leadership.

I urge all of my colleagues to support this resolution.

Mr. Speaker, I do not have other speakers, and I yield back the balance of my time.

Mr. MICA. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker and my colleagues, again I ask your support in the passage today of H.R. 4226 as amended. As you heard, this is an implementation technical bill that will implement provisions of the Cape Town Treaty. As you heard in my previous comment and the comments of the gentlewoman from California, this legislation will, in fact, aid our aviation industry which has been, again, so hard hit during the past 2½ years.

This will not only create jobs in Long Beach, California, but Washington and dozens of other States that produce major aircraft in the United States and also assist us to sell engines which are produced in the United States, I believe in Ohio, but not only from Ohio will there be a good results from the implementation of this treaty, but across the United States where additional parts are produced. So it aids manufacturing, it aids the job creation.

And we urge also the other body to act expeditiously in the passage of this legislation so that the full benefits in effect of the Cape Town Treaty when fully implemented can be realized.

So, again, I urge adoption of H.R. 4226.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAVES). The question is on the motion offered by the gentleman from Florida (Mr. MICA) that the House suspend the rules and pass the bill, H.R. 4226, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4226, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

#### WORKING FAMILIES ASSISTANCE ACT OF 2004

Mr. CANTOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4372) to amend the Internal Revenue Code of 1986 to provide for the carryforward of \$500 of unused benefits in cafeteria plans and flexible spending arrangements for dependent care assistance.

The Clerk read as follows:

H.R. 4372

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Working Families Assistance Act of 2004".

#### SEC. 2. CARRYFORWARD OF UNUSED BENEFITS IN CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS FOR DEPENDENT CARE ASSISTANCE.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

“(h) CARRYFORWARD OF CERTAIN UNUSED BENEFITS FOR DEPENDENT CARE.—

“(1) IN GENERAL.—For purposes of this title, a plan or other arrangement shall not

fail to be treated as a cafeteria plan solely because qualified benefits under such plan include a dependent care flexible spending arrangement under which not more than \$500 of unused dependent care benefits may be carried forward to the succeeding plan year of such dependent care flexible spending arrangement.

“(2) DEPENDENT CARE FLEXIBLE SPENDING ARRANGEMENT.—For purposes of this subsection, the term ‘dependent care flexible spending arrangement’ means a flexible spending arrangement (as defined in section 106(c)) that is a qualified benefit and only permits reimbursement for expenses for dependent care assistance which meets the requirements of section 129(d).

“(3) UNUSED DEPENDENT CARE BENEFITS.—For purposes of this subsection, with respect to an employee, the term ‘unused dependent care benefits’ means the excess of—

“(A) the maximum amount of reimbursement allowable to the employee for a plan year under a dependent care flexible spending arrangement, over

“(B) the actual amount of reimbursement for such year under such arrangement.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. CANTOR) and the gentleman from Maryland (Mr. CARDIN) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, families today shoulder tremendous financial burdens. The USDA's 2003 report estimates two-parent middle income families spend between \$9,000 and \$10,000 a year to raise one child. With 61 percent of working families relying on some form of child care, costs add up very quickly especially in families with more than one child. But it is not just child care expenses that families face. Many families have non-child dependents, including disabled parents or spouses living at home.

Dependent care accounts were created to assist families with two working parents to care for the young children or help these families who care for a disabled spouse or parent. These accounts allow up to \$5,000 to be withheld pretax to help pay for this important care. Unfortunately, these accounts are not being utilized to their fullest extent. They were created in a use-it-or-lose-it fashion which often causes its users to underestimate the amount of money they need to put away, short-changing the very people it was intended to help.

In 2002, the average contribution to these accounts was \$3,024 with a net tax savings of \$690, but this average contribution is almost \$2,000 below the allowed contribution limit. The result is most families are missing out on almost 40 percent of the benefit.

Mr. Speaker, H.R. 4372, the Working Families Assistance Act, gives families peace of mind by allowing them the flexibility to roll over up to \$500 of their money into the next year flexible savings account. So if you overesti-

mated the amount you would spend on dependent care, you will now have a cushion to ensure your flexible spending account investment does not completely disappear.

The Working Families Assistance Act gives families the chance to realize the full tax benefit of this important program.

Mr. Speaker, I reserve the balance of my time.

Mr. CARDIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me thank my friend from Virginia for bringing forward this legislation which I support. I think it is a very important change in the flexible spending arrangements that are permitted under the Internal Revenue Code. And I thank the gentleman from Virginia (Mr. CANTOR) for bringing forward this legislation.

Mr. Speaker, as my friend has indicated, this bill would permit a taxpayer to carry forward up to \$500 of unused benefits in a dependent care flexible spending arrangement from one year to the next plan year. The flexible spending arrangements are a way that you can use pretax dollars to pay for expenses that are, according to what the policy makers have determined, areas that we want to encourage our constituents to be able to spend. This is in dependent care expenses, to take care of our children. This is certainly an area where it is becoming more and more difficult for working families to be able to afford dependent care for their children.

The flexible spending arrangements allow them to use pretax dollars in order to offer some help and assistance. The problem with the flexible spending arrangements is that you have to determine at the beginning of the year how much money you are going to spend for dependent care. If you are wrong and you put away too much money, you lose that money. That is certainly a pretty harsh penalty for misjudging the amount of money that you will need for dependent care. And, therefore, this bill would allow a taxpayer to roll over up to \$500 from one tax year to another. And it certainly makes sense to make this modification in our Internal Revenue Code.

Mr. Speaker, I might point out though that I am disappointed that we are not doing more, not doing more for dependent care in our society. In the committee that I serve on, the Committee on Ways and Means, we have looked at authorizing additional day care aid to our states. In my own state of Maryland the only way that you can get assistance on dependent care is to go on to cash assistance welfare. That does not make a lot of sense.

Prior to a year ago, we were helping working poor in our state with dependent care from the state government using Federal assistance. Well, we have not increased that Federal assistance. I would urge us to consider increasing the amount of dollars made available for safe, affordable day care for our constituents.

In the meantime, Mr. Speaker, I do support H.R. 4372. It is a step in the right direction. And I would encourage my colleagues to accept this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. CANTOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the remarks of the gentleman from Maryland. I think this, again, is a tremendous step forward in giving working families the ability to project what their dependent care expenses would be for the upcoming year and then to give them some flexibility if they do not quite hit the mark, so to speak. And this provision, this legislation echoes what we have done in the health savings accounts arena a few weeks ago in this House.

Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Speaker, I rise today in strong support of the Working Families Assistance Act and would like to thank my friend from Virginia for taking the leadership role in this important piece of legislation.

We should be doing everything possible to make it easier for parents to raise their children. The Working Families Assistance Act does just that, by helping to ease the burdens of dependent care for hard working families. Currently, 22 percent of employers offer dependent care flexible savings accounts or FSAs to their employees.

□ 1145

Employees may take \$2,500 individually or \$5,000 per married couple, put it in that FSA to pay for dependent care. Dependents, for purposes of the FSA, are children under age 13 or individuals such as disabled parents who require full-time care due to physical or mental condition.

Parents can use the money in these accounts to pay for day care, nursery care, or even have an adult relative care for children; but only 14 percent of eligible families participate in these FSAs. Why? One of the big reasons is that, like the health care FSA, employees must forfeit any unused funds back to their employer at the end of the year.

The use-it-or-lose-it provision has made these accounts a bad fit for many families who are trying to create and keep a budget for the year; and for those who use dependent care FSAs, many families are forced to underestimate the amount of money they will need for the year so they do not lose money at the end of the year, essentially defeating the point of the account.

Recently, we passed legislation allowing hardworking families to carry over \$500 from health FSAs. That is what we are doing here today for child and dependent care. The Working Family Assistance Act would fix that problem by allowing families to carry over

\$500 into the next year's FSA. This change will give parents a safety net as they try to predict their family's dependent care costs.

This bill also gives parents more choices and more flexibility in meeting their family's needs. We should be taking every opportunity we can to let families keep and use their own money to raise their children.

I am pleased to be one of the sponsors of this legislation to help working families meet their dependent care needs. I urge my colleagues to support this legislation.

Mr. CANTOR. Mr. Speaker, I thank the gentleman from Minnesota (Mr. KENNEDY) and the gentleman from Maryland (Mr. CARDIN) for their remarks, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAVES). The question is on the motion offered by the gentleman from Virginia (Mr. CANTOR) that the House suspend the rules and pass the bill, H.R. 4372.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### TANF AND RELATED PROGRAMS CONTINUATION ACT OF 2004

Mr. HERGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4589) to reauthorize the Temporary Assistance for Needy Families block grant program through September 30, 2004, and for other purposes.

The Clerk read as follows:

H.R. 4589

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "TANF and Related Programs Continuation Act of 2004".

#### SEC. 2. EXTENSION OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT PROGRAM THROUGH SEPTEMBER 30, 2004.

(a) IN GENERAL.—Activities authorized by part A of title IV of the Social Security Act, and by sections 510, 1108(b), and 1925 of such Act, shall continue through September 30, 2004, in the manner authorized for fiscal year 2002, notwithstanding section 1902(e)(1)(A) of such Act, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the fourth quarter of fiscal year 2004 at the level provided for such activities through the fourth quarter of fiscal year 2002.

(b) CONFORMING AMENDMENT.—Section 403(a)(3)(H)(ii) of the Social Security Act (42 U.S.C. 603(a)(3)(H)(ii)) is amended by striking "June 30" and inserting "September 30".

#### SEC. 3. EXTENSION OF THE NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE AND CHILD WELFARE WAIVER AUTHORITY THROUGH SEPTEMBER 30, 2004.

Activities authorized by sections 429A and 1130(a) of the Social Security Act shall continue through September 30, 2004, in the manner authorized for fiscal year 2002, and

out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the fourth quarter of fiscal year 2004 at the level provided for such activities through the fourth quarter of fiscal year 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HERGER) and the gentleman from Maryland (Mr. CARDIN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, well, here we go again, another 3 months, another extension of welfare programs. Today, the House will approve the seventh straight extension of welfare programs since September 2002. Since then, the number of Americans collecting welfare has continued to track downward. Fewer people are dependent on welfare checks, which is good. That follows historic declines in welfare caseloads from 1996 through 2001 as pro-work reforms cut caseloads in half and more than 2 million children left poverty, but we want to do much much more.

We want more welfare recipients to prepare for work, which is the true path off welfare. We want to help more parents marry or stay married, which helps them and helps their children. We want to help more parents get ready for full-time work, which is what it takes to lift families out of poverty. We want to provide more child care so more parents can go to work, knowing their children are cared for and safe.

For the past 2 years, we wanted to do all of those things. In fact, the House passed legislation to do all of that and more, twice. In both 2002 and 2003, the House passed comprehensive welfare bills to strengthen the historic 1996 welfare law for years to come. More low-income families would have gotten more help and more would have left welfare for the workforce; but instead, we have waited and waited and waited some more.

For the past 2 years, we have waited on the other body to pass its version of a real welfare bill. For a time this spring it looked like the other body would pass a bill to make available these additional resources for low-income families. That did not happen, and so we are here waiting some more.

Some in this town apparently think by delaying and obstructing the legislative process they will get their way in the end. I wish them luck. I think they are wrong, and low-income families will continue to pay the price for their obstructionism.

I am a fiscal conservative. I am for less government spending, not more. I think that expands the bounds of freedom and opportunity, but I am also a realist. I have seen how welfare reform has lifted literally millions of families out of dependence.

Welfare reform has saved taxpayers money, but it has not been free. It will

not be free in the future. The House-passed welfare bill includes reforms and resources needed to help more low-income parents go to work. The families in need will not get a dime of the additional help we included in the House-passed bill unless we can reach final agreement on a real reform bill.

As time passes, budget pressures will only squeeze tighter and tighter, and the additional help we have offered will become only harder to come by.

Given that fact, and the fact we offer to do so much more, give much more to help needy families, it is a tragedy we are back here today with yet another short-term extension that does not give States the certainty they need to best plan for the future.

Mr. Speaker, I wish the legislation before us today were not needed, but we do need to pass this bill. I urge support for this bill, which buys us another 3 months in the hopes the other body will finally act on a broader welfare reform bill.

Mr. Speaker, I reserve the remainder of my time.

Mr. CARDIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this legislation to extend the Temporary Assistance for Needy Families, or TANF, program for the next 3 months. The bill will allow our States to continue to provide assistance to struggling families while also providing a variety of services to help people leave welfare for employment.

Additionally, this legislation would extend a number of important related programs, including transitional Medicaid which provides continued health care coverage for people leaving the welfare rolls to go to work.

Like the previous six welfare extensions passed by Congress over the last 2 years, this bill is a simple extension of current law. It does not include any of the controversial policy changes to the underlying program which were incorporated in the legislation that passed this body; and for not including those controversial provisions, I commend my friends on the other side of the aisle.

While I support this temporary extension, I wish we were here today, as the chairman of our subcommittee has said, to pass a long-term bill to help our States plan future efforts to move individuals from welfare to work. I, however, disagree with my subcommittee chairman in that the legislation that passed this body, in my view, and I think in the view of the experts in this area, makes it more difficult for us to accomplish the goal of a long-term extension of the welfare program.

The House-passed welfare bill was denounced by Governors, mayors, State welfare administrators, and poverty experts as an inflexible, unfunded mandate. The divisive debate instigated by the legislation has stymied a goal that should be bipartisan, extending the 1996 welfare reform law.